



Legislative Bulletin.....November 16, 2011

Contents:

Senate Amendment to H.R. 674—To amend the Internal Revenue Code of 1986 to repeal the imposition of 3 percent withholding on certain payments made to vendors by government entities, to modify the calculation of modified adjusted gross income for purposes of determining eligibility for certain healthcare-related programs, and for other purposes.

H.R. 822 – The National Right-To-Carry Reciprocity Act of 2011

Senate Amendment to H.R. 674— To amend the Internal Revenue Code of 1986 to repeal the imposition of 3 percent withholding on certain payments made to vendors by government entities, to modify the calculation of modified adjusted gross income for purposes of determining eligibility for certain healthcare-related programs, and for other purposes. (Herger, R-CA)

Order of Business: The bill is scheduled to be considered on Wednesday, November 16, 2011 under suspension of the rules requiring two thirds majority vote for passage.

Summary: The bill amends H.R. 674, which passed the House on October 27, 2011 by a vote of [405-16](#). The Senate-amended bill incorporates the original bill’s repeal of the 3 percent withholding requirement on payments made to vendors by all levels of government (federal, state, and local). Without repeal, this withholding requirement is scheduled to take effect in the beginning of 2013 after being delayed as part of the “stimulus” and then by Administrative rulemaking. It also modifies the definition of income used for calculating eligibility for federal Exchange subsidies, Medicaid enrollment, and the Children’s Health Insurance Program included in the House-passed [H.R. 2576](#). Lastly, it enacts changes to veterans’-related programs described below.

The original RSC legislative bulletins for H.R. 674 and H.R. 2576 can be viewed [here](#) and [here](#).

Additional Background: Some of the significant veterans’ affairs provisions in the bill are described below:

- **Veterans Retraining Assistance Program**—Section 211 creates a new, three year employment retraining assistance program for up to 100,000 unemployed veterans who enroll in either technical schools or community colleges in an occupation field that the Department of Labor (DOL) determines to have significant employment opportunities. According to CBO, the maximum monthly amount of assistance for qualifying veterans would be \$1,426—the same amount paid under the Montgomery GI Bill. Eligible

veterans include those who are unemployed, between the ages of 35 and 60 years old, honorably-discharged from active duty, and are not receiving any other VA educational benefits (included in the House-passed [H.R. 2433](#)).

- *Changes to the Transition Assistance Program*—Section 221 mandates that most separating servicemembers participate in the job training workshops provided by the Department of Labor unless they fall into a specific exemption.
- *Translating Military Skills and Training*—Sections 222 and 223 require the Department of Labor, in consultation with the Department of Defense (DOD) and Department of Veterans Affairs (VA), to contract for a study to identify equivalencies between military occupational specialty skills (MOS) and qualifications for private sector employment. Also, private entities will be contracting with the DOD to provide transition assistance services including counseling, identification of employment and training opportunities, and an assessment of academic preparation for education or training.
- *Tax Incentives for Hiring Veterans*—Section 261 provides a tax credit to employers of up to \$5,600 for hiring a veteran who has been seeking employment for more than six months, as well as a \$2,400 credit for veterans who are unemployed for more than four weeks, but less than six months. Up to \$9,600 of tax credits are available to employers who hire veterans with service-connected disabilities who have been seeking employment for more than six months.

Committee Action: On November 10, 2011, the Senate amended and passed H.R. 674 by a vote of 95-0. The House has taken no further action on the bill since Senate passage of the bill.

Administration Position: The original Statement of Administration Policy ([SAP](#)) supports passage of the bill. As of press time, the Obama Administration has not released an updated SAP.

Cost to Taxpayers: The Congressional Budget Office (CBO) released a revised estimate for the Senate-amended bill showing the net effect on the deficit to be reduced by \$1.984 billion over the fiscal year 2012-2021 period through a combination of reducing direct spending by \$20.252 billion while cutting taxes by \$18.268 billion.

Does the Bill Expand the Size and Scope of the Federal Government?: The bill reduces direct spending by \$20.252 billion and cuts taxes by \$18.268 billion. However, the legislation includes VA provisions that expand the size of the federal government. Specifically, one provision creates a three year employment retraining assistance program for up to 100,000 unemployed veterans that the CBO estimates will require adding approximately 60 full-time and 70 part-time employees at the Department of Veterans Affairs while increasing the discretionary costs of educational Pell Grants for veterans who enroll in the program.¹

¹ CBO projects that approximately half of the 100,000 veterans expected to participate in the new employment retraining program would be eligible to participate in the Pell Grant Program, which would increase discretionary costs for Pell grants by \$148 million over the 2012-2016 period.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: The bill does not contain any earmarks.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states: “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 1.”

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H.R. 822 – The National Right-To-Carry Reciprocity Act of 2011 (Stearns, R-FL)

Order of Business: The bill is scheduled to be considered on Wednesday, November 16, 2011, under a structured rule ([H.Res. 463](#)). The rule allows for consideration of only those amendments ruled in order by the House Rules Committee and described within this legislative bulletin. It also provides one hour of general debate equally divided and controlled by the Chair and Ranking Member of the Committee on the Judiciary and for one motion to recommit.

Summary: H.R. 822 creates a new section under Title 18 of the United States Code to allow citizens who are authorized to carry a concealed firearm in their home state of residence to also carry a firearm in another state—under the same conditions and limitations in that state except as to eligibility to carry a concealed firearm—that issues concealed-carry firearm permits or does not prohibit the carrying of concealed firearms. In other words, all federal, state, and local laws regarding the possession and carrying of a concealed firearm that apply to a resident of a state will also equally apply to a non-resident.

The bill also calls for the Comptroller General of the United States to issue a report to Congress within one year of enactment describing the permitting process of each state that issues concealed carry permits to nonresidents of the state, the number of permits issued and denied to nonresidents (and the basis for the denials), and the effectiveness of these licensing laws in protecting the public safety.

Additional Information: Forty states currently provide some form of reciprocity to out-of-state concealed carry permit holders.² Nine states do not recognize out-of-state concealed carry permits in any circumstance.³ H.R. 822 would extend the ability for all concealed-carry permit

² According to the Judiciary Committee report #[112-277](#), fourteen states grant outright recognition of all valid concealed-carry permits issued by another state. Ten states recognize permits from other states that also recognize their own concealed-carry permits. Sixteen states will recognize another state’s concealed-carry permit if certain conditions are met.

³ These states include California, Connecticut, Hawaii, Massachusetts, Maryland, New Jersey, New York, Oregon, and Rhode Island.

holders to carry their firearm in all but one of the fifty states in the Union with the state of Illinois being the only exception that does not provide its citizens the ability to carry a concealed firearm.⁴

The bill is supported with 244 bi-partisan cosponsors.

Amendments Ruled in Order: The following ten amendments ruled in order by the Committee on Rules will each be debatable for 10 minutes equally divided by a proponent and opponent of the amendment:

1. **Woodall (R-GA)** – This amendment preserves the ability of the 40 states that have some form of concealed-carry reciprocity agreements already in place to continue to enforce these agreements while applying the reciprocity provision (Section 2) of H.R. 822 to the other nine states who do not allow interstate concealed-carry reciprocity for nonresidents.
2. **McCarthy (D-NY)** – This amendment requires that in order for the concealed-carry reciprocity provision (Section 2) in the bill to take effect, a state’s legislature must pass legislation authorizing the bill to take effect.
3. **Hastings (D-FL)** – This amendment exempts states that do not require concealed-carry applicants to complete and apply for a concealed-carry permit in person at the appropriate state law enforcement location from the concealed-carry reciprocity provision (Section 2) of the bill.
4. **Jackson Lee (D-TX)** – This amendment makes the concealed-carry reciprocity provision of the bill (Section 2) contingent on a state creating and maintaining a database of all concealed-carry handgun permits accessible to law enforcement officers in all of the 50 states at all times. This amendment failed in the Judiciary Committee markup of the bill by a [vote](#) of 3-12.
5. **Conyers (D-MI)** – H.R. 822 does not require out-of-state concealed-carry permit holders to be subject to another state’s concealed-carry eligibility requirements—only the other state’s conditions or limitations to possession or carrying a concealed firearm. This amendment would require an out-of-state concealed-carry permit holder to be subject to the same in-state concealed-carry eligibility requirements in order for the reciprocity provision (Section 2) of the bill to take effect. This amendment failed in the Judiciary Committee markup of the bill by a [vote](#) of 12 to 18.
6. **Johnson (D-GA)** – This amendment permits any state’s concealed-carry firearm eligibility requirement that includes safety training with live-fire exercise to the bill’s concealed-carry reciprocity provision (Section 2).

⁴ Additionally, the District of Columbia and the Northern Mariana Islands and the American Samoa U.S. Territories disallow concealed-carry firearm permits for their residents.

7. **Cohen (D-TN)** – This amendment permits any state-law eligibility requirement allowing only persons at least 21 years old to be eligible to carry a concealed handgun to remain in effect.
8. **Jackson Lee (D-TX)** – This amendment requires an out-of-state concealed-carry permit holder to notify the designated law enforcement agency of the state intended by the concealed-carry permit holder to carry a concealed handgun within 24 hours of carrying a concealed handgun.
9. **Cicilline (D-RI)** – This amendment postpones the reciprocity provision of the bill (Section 2) from taking effect until the State Attorney General, head of the State police, and the state’s Secretary of State have jointly certified that the other state’s concealed-carry firearms’ laws are substantially similar to its own concealed-carry firearms’ licensing or permitting laws.
10. **Reichert (R-WA)** – This amendment requires the Comptroller General of the United States to submit to the Committee on the Judiciary in the House of Representatives and the U.S. Senate a written report within one year of enactment analyzing the ability of state and local law enforcement authorities to verify the validity of concealed-carry firearms licenses or permits issued by other states.

Committee Action: Representative Cliff Stearns (R-FL) introduced H.R. 822 on February 18, 2011, which was referred to the Committee on Judiciary. The Subcommittee on Crime, Terrorism, and Homeland Security held a hearing on the bill on September 13, 2011. On October 25, 2011, the full Committee marked up the amended bill and reported it out by a [vote](#) of 19-11.

Administration Position: As of press time, the Obama Administration has not released a Statement of Administration Policy (SAP) on the bill.

Outside Group Support: The Congressional Sportsman Foundation, the National Rifle Association, and the National Shooting Sports Foundation.

Outside Groups in Opposition: The Dissenting Views in the House Judiciary Committee report [#112-277](#) explain that the “...bill is opposed by more than 550 mayors, major police organizations, domestic violence abuse victim advocates, prosecutors, and faith-based organizations.” For their complete listing, refer to the bottom footnote of page 20 of the Committee report.

Also, the Gun Owners of America (GOA) have issued concerns with the bill. A recent GOA email alert explains that “While well-intentioned, this legislation is not without its flaws and concerns for gun owners.” Some of GOA’s highlighted flaws of the bill include requiring gun owners in states like Vermont to acquire an out-of-state permit to be eligible for reciprocity, not recognizing in-state residents’ gun rights who have out-of-state permits, and relying on the “abused and expansive view” of the Constitution’s Commerce Clause (Article I, Section 8, Clause 3) for Congress’ authority to legislate. GOA supports legislation it believes addresses these concerns that Rep. Paul Broun has introduced: H.R. 2900.

Cost to Taxpayers: The CBO released a cost [estimate](#) for the bill on November 4, 2011. It estimates that enacting the bill would have no significant cost to the federal government. The estimate also explains that the bill “could result in the loss of revenue for some states” totaling “a few million dollars” (with a corresponding savings to state taxpayers) because some states charge fees to nonresidents who apply for nonresident concealed-carry permits, and this bill would negate the need for nonresidents to purchase nonresident concealed-carry permits. Additionally, CBO estimates that law enforcement training costs to comply with the bill and the lost revenue would be “...small and would not exceed the threshold established in UMRA⁵ (\$72 million in 2011, adjusted annually for inflation).”

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. According to the CBO report, the bill preempts some state concealed-carry licensing and permitting laws that either limit or do not recognize these permits for nonresidents. However, the bill expands individual freedom of concealed-carry holders by reducing the possession and carry limits of some state governments on nonresident, lawful concealed carry holders.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: Yes. The CBO report states that the bill imposes an intergovernmental mandate as defined in the UMRA by “...preempting some state laws that limit the ability of nonresidents to carry concealed weapons.”

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: Yes.

Constitutional Authority: The Constitutional Authority Statement accompanying introduction of this bill states “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3, Commerce Clause.”

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⁵ Unfunded Mandate Reform Act, Public Law 104-4.